



INFORMATIONAL MEMORANDUM

TO: Mayor Haggerton

FROM: Derek Speck, Economic Development Administrator

DATE: February 23, 2011

SUBJECT: Tukwila Village Next Steps

ISSUE

At this time, there are two main issues for Tukwila Village. First, the King County Library System would like to build a stand-alone library on a portion of the Tukwila Village site and is ready to enter into negotiations with the City. Second, city staff has received strong interest from developers of senior apartments who would also like to enter into negotiations with the City.

BACKGROUND

In 2008 the City selected Tarragon, LLC as the developer for Tukwila Village. In late 2008 the United States entered into a great recession which affected market demand and the ability to finance developments and so in 2010 Tarragon officially withdrew from the project.

In September 2010 the City Council voted in support of considering a stand-alone library on part of the site. The King County Library System (KCLS) hired Perkins + Will Architects to look at the Tukwila Village property and determine the optimal location and amount of space on the property if they were to construct the library as a stand-alone building. Perkins + Will completed their analysis of three sites: A, B, and C and recommends site B as the most appropriate location for the library. KCLS would now like to enter into negotiations with the City so that the Library System can proceed to build the library.

As a separate, but related issue, since Tarragon's withdrawal from the project, staff has continued to seek developer interest in Tukwila Village and has received significant interest from two strong developers. Both developers propose a mixed-use site that would include the library, plaza, police neighborhood resource center, and some retail with the majority of space used for senior housing. In both cases the senior housing would be apartments made available to seniors 62 and older. This type of senior housing is called "active living" because the development provides services similar to many market rate apartments but not the central food service or nursing care services that are available in other types of senior housing. It is very likely that most, and possibly all, of the senior apartments would be "affordable" which means they would be restricted to seniors earning less than 50% or 60% of the area median income. For example, the 60% restriction would limit incomes to \$36,000 for a single person household and \$41,100 for a two person household. Also at the 60% restriction, rent for a one bedroom would be limited to no more than \$963 per month or a two bedroom to \$1,156 per month.

One of the two developers has completed a considerable amount of analysis of the project and determined that it appears financially feasible and would like the City to select them as the master developer. Because senior housing was not included in the Tukwila Village vision that the City Council adopted in 2007, staff would like Council feedback on whether a mixed-use development with senior housing fits the City's vision and whether we should start a developer selection process.

DISCUSSION

In order to determine if a mixed-use, senior housing led development fits the City's vision, it is helpful to describe the concept that one of the developers has determined is financially feasible. At this time, the City has not selected a developer for Tukwila Village and it would be inappropriate to focus the conversation on that particular developer. Therefore, staff has compared the concept to Tarragon's earlier concept. If the City embarks on a developer selection process, there is no guarantee that the developer who came up with this particular concept would be selected.

A table comparing basic statistics of the senior housing development to Tarragon's proposal is attached. At this stage in the analysis, the senior housing concept generally keeps the physical layout, size, and heights similar to Tarragon's proposal as a way of testing feasibility since the City previously selected Tarragon. If we get into negotiations, site planning details such as these will be reexamined and may be changed. Both concepts include the library, police neighborhood resource center and outdoor plaza. In general, following are the main differences:

- (1) Apartments: Tarragon proposed 298 apartments averaging 860 square feet that would be available to anyone with a high enough income to qualify with no age restrictions. 20% of the units would be income restricted to households earning 80% or less of the area median income (AMI). The senior housing concept has 380 apartments averaging 630 square feet with most, and maybe all, units restricted to seniors earning less than 50% or 60% of AMI. It's possible that some of the senior units would not be income restricted and also that one of the buildings would not be age restricted.
- (2) Retail: Tarragon proposed 55,000 square feet of retail. The senior housing concept has 7,500 square feet of retail. Both concepts include a restaurant and a coffee shop. Tarragon's proposal included some larger retail spaces (e.g. a 15,000 square foot store on the corner) whereas the senior housing concept includes smaller spaces (e.g. 500 square feet).
- (3) Office: Tarragon's proposal did not include office space. The senior concept includes 20,000 square feet of office which reflects the City's discussions with Healthpoint, a non-profit healthcare provider that would like to open primary care and dental clinic at the site. A more detailed description of Healthpoint is attached.
- (4) Parking: Tarragon proposed 541 parking spaces. The senior concept includes 350 parking spaces. It needs less parking because of the lower amount of retail and that regulations and market demand require less parking for senior apartments than non-senior. This is one of the important factors that makes the development more financially feasible.
- (5) Community Room: Tarragon did not include an indoor commons area for community events, meetings, performances, etc. The senior concept includes a 3,000 square foot "community room". One important question is how to manage this space and for what purposes. 4Culture is helping City staff research options and may provide outreach

assistance to gather information from various members and ethnic groups in Tukwila's art and culture community. It is possible the developer would provide some initial start-up funding for a non-profit to manage the community room and plaza that would become self funding from rental revenues after the first year.

- (6) **Farmers' Market:** Tarragon's proposal included a 20,000 square foot plaza. The senior concept includes this same footprint of a plaza. However, the important difference is that the retailers may not have been willing to share their parking with special events at the plaza. Thus, although the plaza can fit the stalls for a farmers' market, there may not have been enough parking. The senior housing concept includes office space that is much more likely to provide shared use parking which makes a farmers' market or other larger events feasible. This is especially true if Healthpoint becomes the lessee of the office space.
- (7) **Property and sales tax:** Tarragon's proposal was nearly all commercial or market rate residential. As such, it would not qualify for property tax exemptions unless the City otherwise approved it. The senior housing concept's residential portion would be rented to seniors at restricted incomes so that portion of the development is very likely to be eligible for property tax exemption. With a partial property tax exemption and less retail the senior concept is less likely to generate property and sales taxes. Currently, of course, the property generates no property or sales tax.

The choices facing the City at this time are:

- (1) **Select a master developer:** The City could start the process to select a master developer of the site by issuing a request for qualifications (RFQ).
- (2) **Start negotiations with KCLS:** The City could start negotiations with the King County Library System to build a stand-alone library on one of the sites (A, B, or C).
- (3) **Both #1 and #2:** In this case, the negotiations with the master developer would not include the property planned for the library. The benefit of this option is that KCLS can move faster with their site development and take advantage of a lower bidding climate. The detriment of this option is that having one master developer for the entire site maximizes site planning which can reduce costs and can make a more pleasing user experience on the site.
- (4) **None of the above**

Staff believes the mixed-use, senior housing development concept is an exciting option for Tukwila Village. Although it may not generate as much ongoing property and sales tax as other alternatives, it appears to be the City's best alternative to generate a reasonable sales price for the property. In addition, having a large number of active seniors in Tukwila Village provides strong support for the library, police neighborhood resource center, coffee shop, restaurant, community room, plaza, and primary care and dental clinic which will strengthen those activities and make them more available to the broader community. If some non-senior affordable housing is included, it opens up the possibility of apartments for teachers or artists. The small retail spaces could be a good fit for artist galleries or local retailers. A development of this type would serve as a catalyst for additional development along Tukwila International Boulevard and set a standard for better quality development as the economy improves.

Seeking a master site developer at this time rather than starting negotiations with the library could easily delay how soon the library is built. However, the benefits of a more integrated site outweigh the detriments.

RECOMMENDATION

Staff recommends the Council adopt a motion in support of starting a developer selection process.

ATTACHMENTS

Memo to Tukwila City Council from Kay Johnson of KCLS
Memo to Derek Speck from Gavin Smith of Perkins + Will
Tarragon Site Plan
Table Comparing Tarragon's Proposal to Senior Housing Concept
Healthpoint Description



To: Tukwila City Council

From: Kay Johnson, Director for Facilities Development

A handwritten signature in black ink, appearing to read "Kay Johnson".

Date: February 28, 2011

The King County Library System Capital Bond Program has been delivering as promised library buildings and services in communities throughout King County since 2004, when the capital bond was approved by voters. In the past seven years, 22 library enhancement projects have been completed, with new replacement libraries built in some communities and other libraries renovated or expanded. KCLS is now ready to start the planning process for a new Tukwila Library. The property that the Tukwila City Council has acquired, Tukwila Village, is well-located to serve as a new urban activity center. The intersection at the site is a prime link to the historic Tukwila Hill area and the Tukwila International Boulevard corridor. The new Library will enhance and encourage future development at Tukwila Village. The services provided by KCLS are more than a building; we strive to create a community gathering place.

The preferred site has been reviewed using the KCLS Site Selection Criteria Policy, which evaluates potential library sites with a prioritized hierarchy of factors that are weighed to determine the most suitable site for a library. The preferred location, Scheme B in the accompanying presentation, is rated the highest in the first two categories, Phases 1 & 2 for visibility, capacity, accessibility, potential sustainable development, centrality to other activities, infrastructure, costs and availability.

The third category, Phase 3 in the KCLS Site Selection Criteria Policy, entails receiving community support from elected officials and residents of the area the library would serve, as well as other interested parties. To initiate this final phase of the evaluation process, we need your prompt approval of the site plan so we may begin our discussions with City representatives about how the property will be held by KCLS or the City. There is currently a favorable bidding climate and KCLS and our consultant team are prepared to begin design work immediately. We realize there will be future development on the site and would like to cooperate with both the city and any private entity selected to continue the redevelopment of this property for the benefit of the community.

PERKINS + WILL

February 16, 2011

Derek Speck
Economic Development Administrator
Office of the Mayor
City of Tukwila
6200 Southcenter Blvd
Tukwila, WA 98188

Re: Site Analysis for KCLS Tukwila Library

Dear Derek Speck,

Perkins+Will was engaged by the King County Library System to analyze potential sites for the new KCLS Tukwila Library. The site alternatives are within the six acre Tukwila Village site at Tukwila International Boulevard and S. 144th Street. The evaluation consisted of both the KCLS Site Selection Criteria and the City of Tukwila's plans for future development.

Three library locations were analyzed: Site A, Site B, and Site C. Each site was evaluated using a site selection criteria that included visibility, site capacity, accessibility, sustainability, site infrastructure, impact on future development, and cost effectiveness. Each option assumes a stand-alone building of approximately 8,000 gsf with additional expansion potential of 2,000 gsf.

Site A:

Site A is located on the south east corner of Tukwila International Boulevard and S. 144th Street. Due to the sloping topography on this corner, parking is best suited under the library with vehicular access from S. 144th Street. This scheme requires a multi-level entrance lobby (street level and parking level) and thus would require an elevator for access from and to the parking level. Although Site A maintains some visual connection to the adjacent open space, it is isolated from much of its activities and discourages community gathering near the library. This isolation creates safety concerns due to the below building parking location.

- **Visibility:** Locating the Tukwila Library on the SE corner provides a strong visual presence along Tukwila International Boulevard (TIB). TIB is the principle arterial road through the Tukwila International Boulevard Corridor.
- **Site Capacity:** Because Site A is constrained by the access drive to the east, property line to the south, and street frontage to the north and west, future expansion for the library would be limited.

- **Accessibility:** Vehicular access from S. 144th Street is approximately 160' from Tukwila International Boulevard. Road Standards require 230' and therefore the City of Tukwila may want to restrict outbound left turns. The vehicular circulation is somewhat constricted due to the parking configuration. Site access is not intuitive because parking is screened by the building.

Pedestrian entry is provided at the parking level and the street level corner. During certain times of the day, an influx of pedestrian flow is expected along S. 144th Street from the neighboring schools.

A bus shelter, north of S. 144th Street, provides public transportation (bus route 124) which connects the downtown Seattle with the Tukwila International Boulevard Light Rail Station.

- **Sustainability:** Site A provides no advantage over other sites with respect to sustainable strategies.
- **Site Infrastructure:** Tukwila International Blvd. has a 12" storm drain servicing the east side of the road. The site is served by an 18" sewer main to the east and a 12" sewer main to the north. Storm water for the proposed project will need to be detained before leaving the site. The proposed development of Site A is approximately 80% impervious by area and therefore will require about 16,500 cubic feet of detention per acre. At a minimum basic water quality treatment of storm water is required.

Tukwila International Blvd. has a water main on the project side of the street. A water meter currently serves the existing building. A new domestic and fire service would likely be required.

There are currently no sidewalks along the south side of South 144th St. Most of the improvements along the east side of TIB are already constructed. Modifications may be required depending on desired driveway locations.

- **Impact on Future Development:** Because Site A is isolated from the majority of the development, this location has little impact on future site development.
- **Cost:** Of the three sites analyzed, Site A presents the likely highest capital cost due to the site grading, retaining walls, structured parking and elevator. It is also likely to have a less efficient envelope to respond to site configurations.

Site B:

Site B is located on the north east corner of Tukwila International Boulevard and S. 144th Street. Site B engages the plaza and helps define and shelter the potential open space. Parking is located to the north and east along the perimeter of the plaza. A hardscape zone between the plaza and Library presents opportunities for outdoor activities such as the farmer's market. The configuration of buildings on Site B provides a sense of security due to the visual openness and encourages community engagement.

- **Visibility:** Similar to Site A, locating the Tukwila Library on the NE corner provides a strong visual presence along Tukwila International Boulevard and S. 144th Street.
- **Site Capacity:** Site B provides a comfortable setting for the library and offers future expansion for the library toward the north.

- **Accessibility:** Vehicular access from S. 144th St. meets the City of Tukwila's requirement; however Road Standards require 275' access from S. 144th St. along TIB (in lieu of 260' currently shown). Left turn exiting onto Tukwila International Boulevard would be prohibited. Site B provides good circulation with all parking visible and minimal maneuvering required.

Similar to Site A, during certain times of the day, an influx of pedestrian flow is expected along S. 144th Street from the neighboring schools.

A bus shelter for bus route 124 is located on Site B which corresponds with the Library entry.

- **Sustainability:** Located adjacent to the plaza, Site B offers potential sustainable opportunities that could be integrated into an overall Tukwila Village Sustainable strategy, including storm water handling through use of rain garden, and other energy saving systems.
- **Site Infrastructure:** Tukwila International Blvd. has a 12" storm drain servicing the east side of the road. To the south, a catch basin is located on S. 144th St. with a 12" line running to the storm line on the far side of the road. Additionally, storm water to the east is conveyed using a combination of grass lined swales and 12" storm piping. Storm water for the proposed project will need to be detained before leaving the site. The proposed development for Site B is approximately 80% impervious by area and therefore will require about 16,500 cubic feet of detention per acre. At a minimum basic water quality treatment of storm water is required.

Site B has access to existing sanitary sewer stubs and a sewer line in the existing 41st Ave. right-of-way. There is an 8" sanitary sewer line on Tukwila International Blvd., however it is located on the far side of the road.

Water mains are located to the east, south and west of the proposed project site. Multiple water meters are currently serving the site from these mains. A new domestic and fire service would likely be required.

There are currently different sidewalk locations along the north side of South 144th St. Based upon the concept plans, and the existing curb location closer to Tukwila International Boulevard, the majority of the north side of South 144th St. will need to be replaced further north than its current location. Most of the improvements along the east side of TIB are already constructed. Modifications may be required depending on desired driveway locations.

- **Impact on Future Development:** Site B minimizes the overall impact on development by using the plaza as a buffer should the development of the Tukwila Village commence after the Library is operational.
- **Cost:** Of the three sites analyzed, Site B presents the likely lowest capital cost due to relatively flat site and on-grade parking.

Site C:

Site C is located on the northern portion of the Tukwila Village site, along Tukwila International Boulevard. Surface parking is provided on the north and east sides of the library with the primary entry located on the northeast corner of the site. Due to its location at the northern tip of the site, the library is disconnected from the plaza activity and disengaged from the future development's entries, public spaces and retail areas.

- **Visibility:** This site provides predominately southbound visibility from Tukwila International Boulevard. A southbound visual corridor along TIB terminates at this site as TIB curves westward. Northbound visibility may be obscured by future development.
- **Site Capacity:** A small paved open space will exist between the Library's south edge and the future development. This area will also be used for future library expansion.
- **Accessibility:** Vehicular site access for both S.144th and Tukwila International Boulevard meet the City's requirements; however, left turn onto TIB would be prohibited. Circulation within parking lot is good; however access from 144th requires numerous turns if and when the balance of the development is completed.

This site will be burdened with an access easement to the adjacent apartment complex. This is viewed as a potential conflict with confusing entrance and exiting arrangements.

- **Sustainability:** Site C provides no advantage over other sites with respect to sustainable strategies.
- **Site Infrastructure:** Tukwila International Blvd. has a 12" storm drain servicing the east side of the road. Storm water will need to be detained before leaving the site. The proposed development for Site C is 90% impervious by area and therefore will require about 18,000 cubic feet of detention per acre. At a minimum basic water quality treatment of storm water is required.

An 8" sanitary sewer line is located on the east side of Tukwila International Blvd. Site C has access to existing sanitary sewer stubs to the site. The 10" sewer line between TIB and 41st Ave. South may need to be relocated depending on the final footprint of the proposed building.

Tukwila International Blvd. has a water main on the project side of the street. There is a water meter servicing the north side of the lot. A new domestic and fire service will likely be required.

Most of the improvements along the east side of TIB are already constructed. Modifications may be required depending on desired driveway locations.

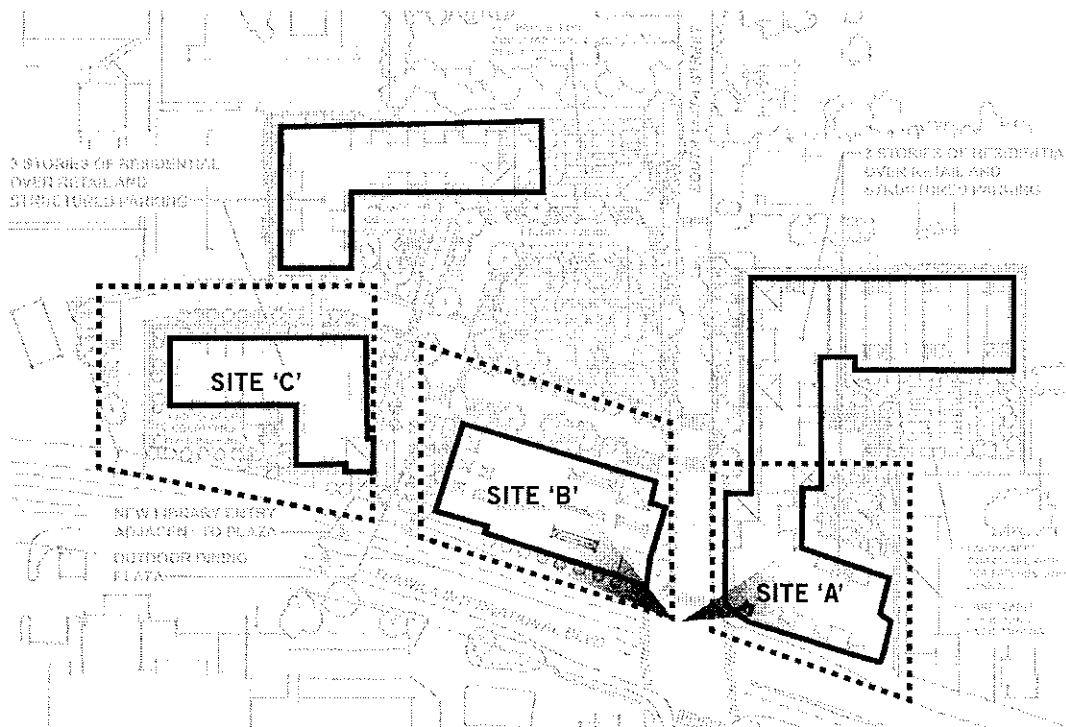
- **Impact on Future Development:** Site C will need to coordinate the access to and from S 144th Street; both during and after construction.
- **Cost:** Site C presents a slightly higher cost a cost to Site B; due to the potential street improvements.

Recommendation. After evaluating each site based on site selection criteria, we are recommending Site B as the most appropriate location for the Tukwila Library. This site provides the least impact on future development, satisfies the needs of the King County Library system, and enables the site to become a pedestrian friendly destination.

Sincerely,



Gavin Smith
Perkins+Will



DEVELOPER PROPOSED SITEPLAN
SCALE N.T.S.

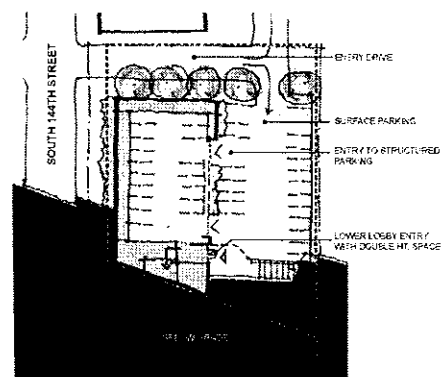
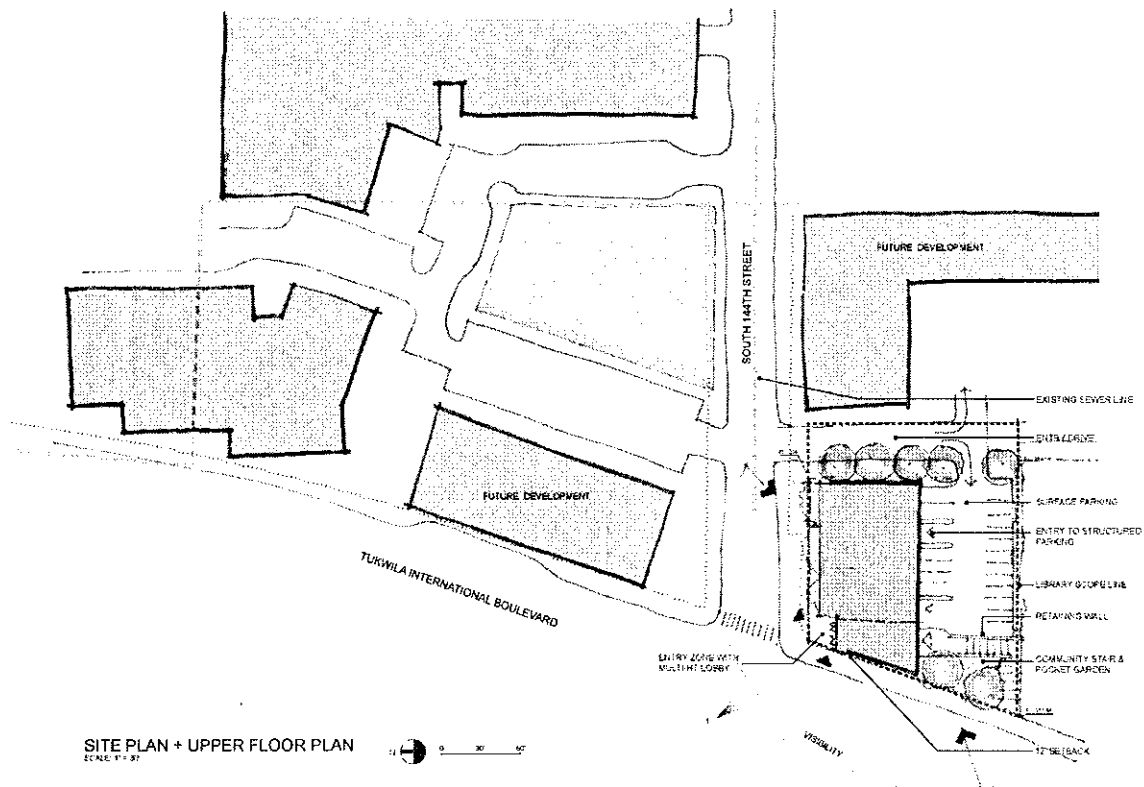


EXISTING SITE + DEVELOPMENT CONCEPT

PERKINS
+ WILL

PERKINS + WILL

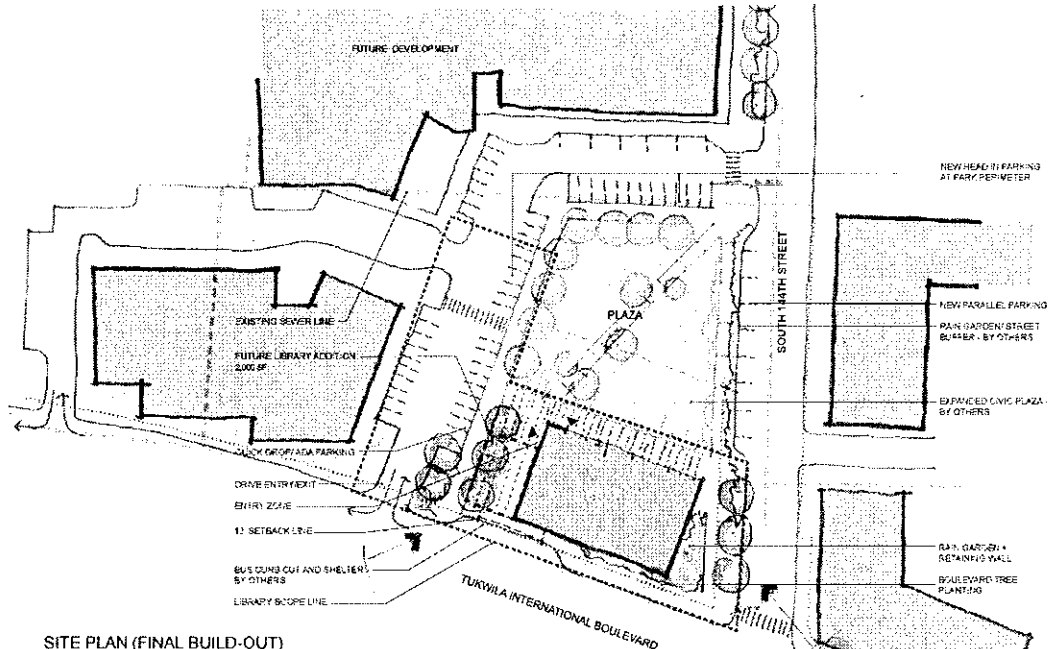
February 28, 2011



SITE 'A' EVALUATION CRITERIA

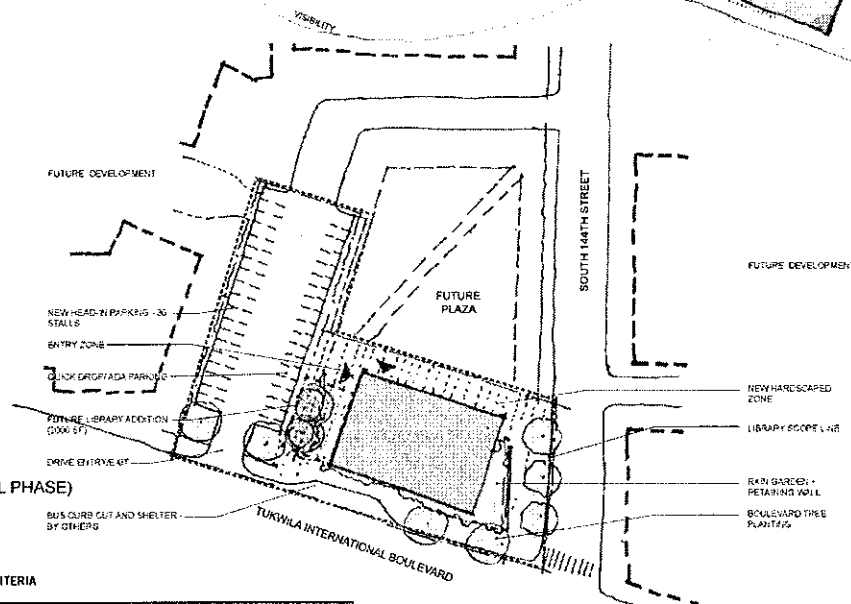
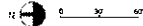
Criteria	Rating		
Viability	3	0	
Site Capacity	3		
Access	3		
Centrality	3	3	4
Site Infrastructure	3		
Cost Effectiveness	3		
Sustainable Opportunities	3	3	
Impact on Future Development	3	3	
TOTAL		13	





SITE PLAN (FINAL BUILD-OUT)

SCALE: 1" = 30'

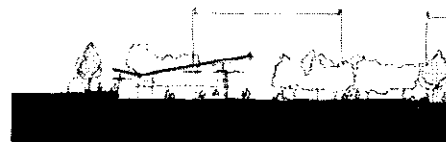


SITE PLAN (INITIAL PHASE)

SCALE: 1" = 30'

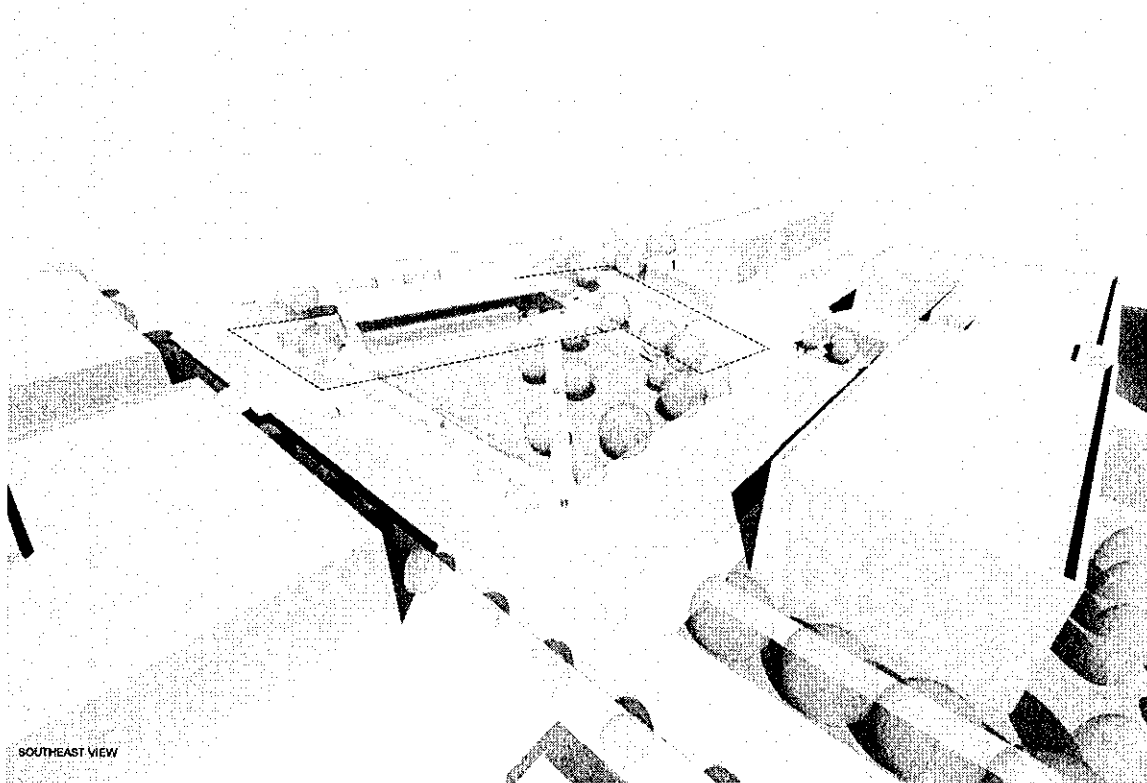
SITE 'B1' EVALUATION CRITERIA

Criteria	Score	Weight	Weighted Score
Visibility	5	1	5
Site Capacity	5	2	10
Access	5	2	10
Centrality	5	1	5
Site Infrastructure	5	1	5
Cost Effectiveness	5	1	5
Sustainable Opportunities	5	1	5
Impact on Future Development	5	1	5
Total			22

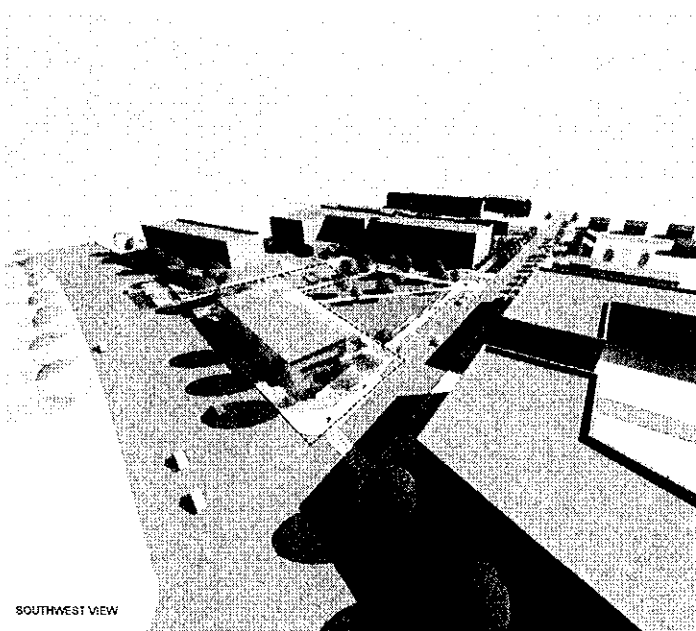


SECTION

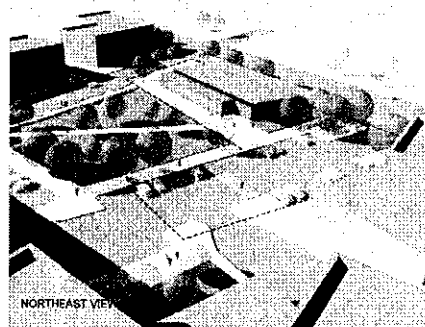
SCALE: 1" = 30'



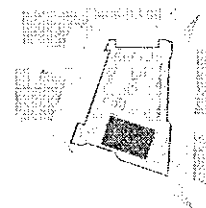
SOUTHEAST VIEW



SOUTHWEST VIEW



NORTHEAST VIEW

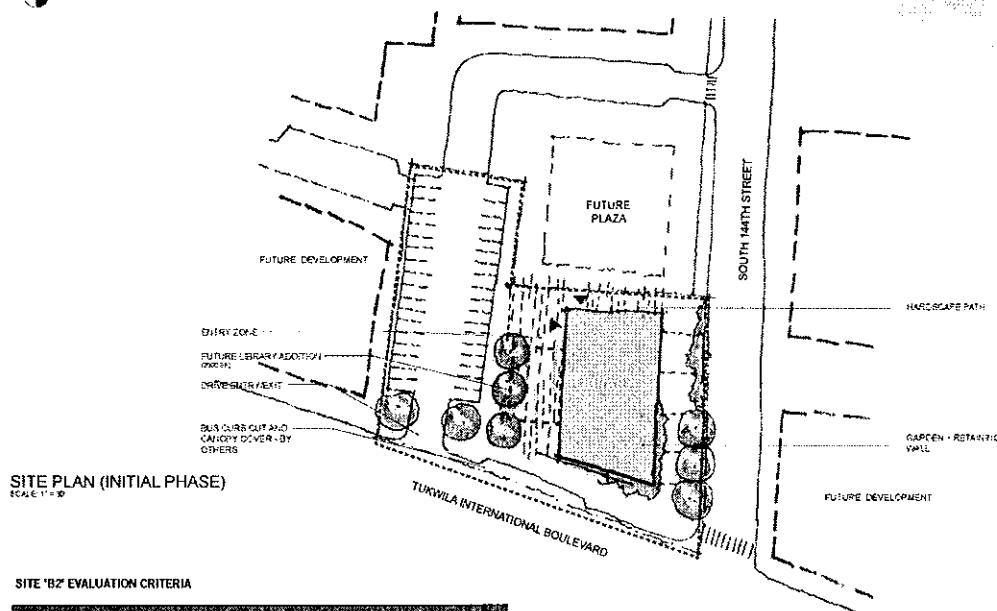
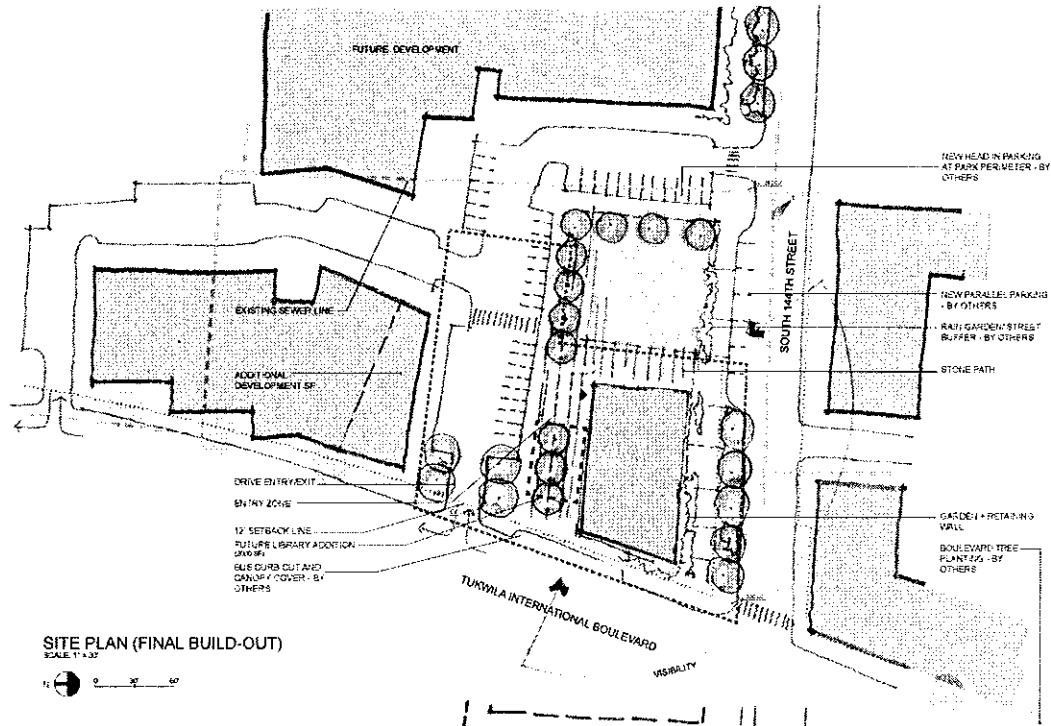


SITE PERSPECTIVES

KOLSTUKOVA FOR LMLB-ARMY

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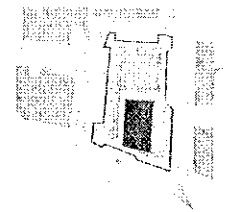
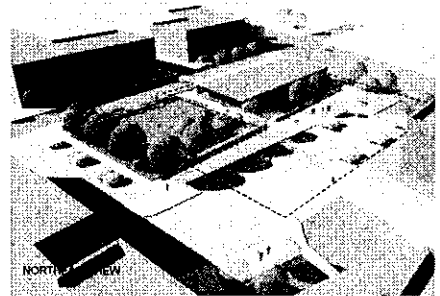
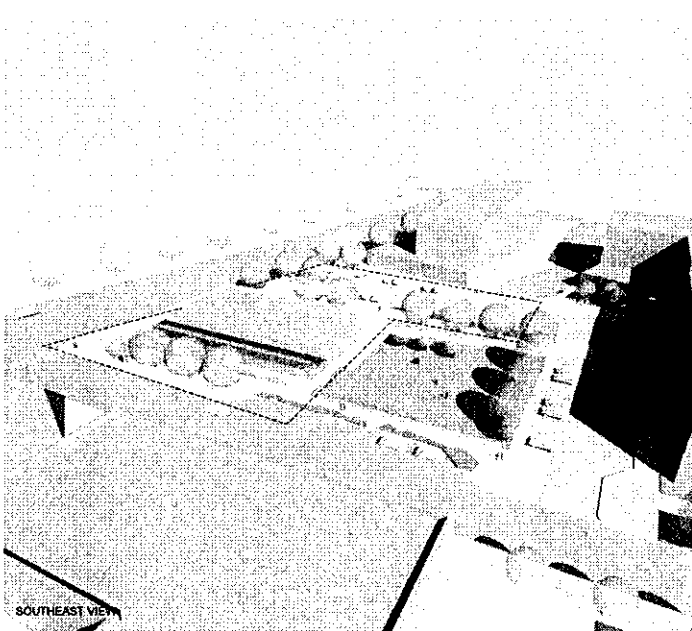
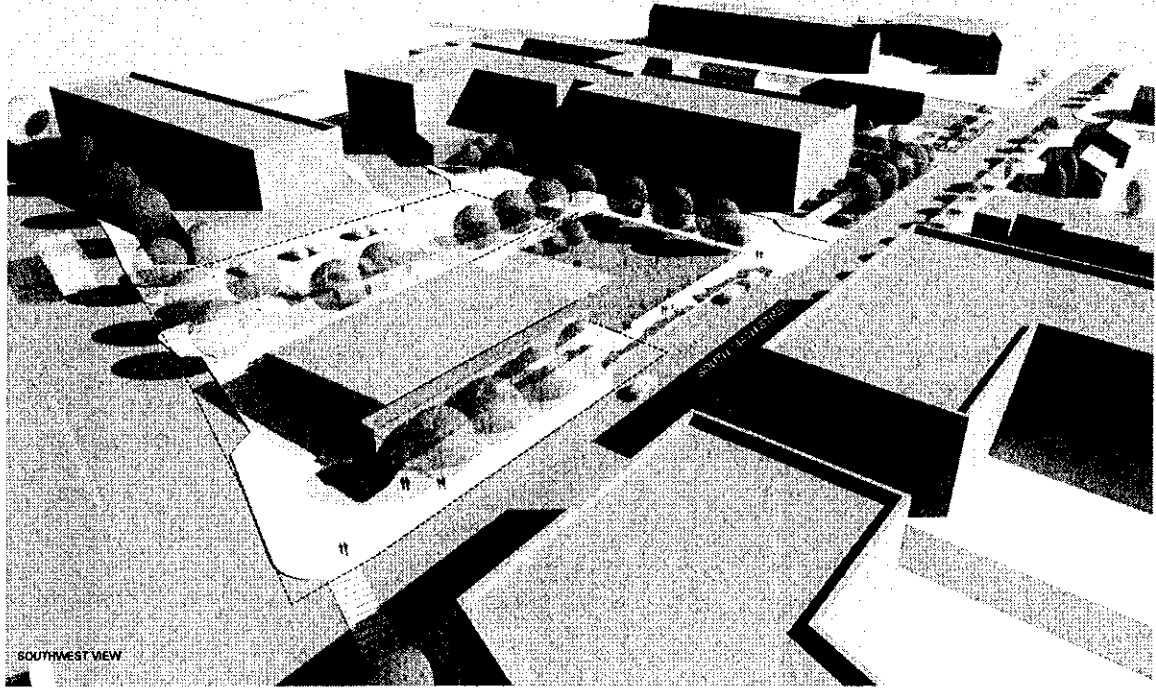
February 26, 2011

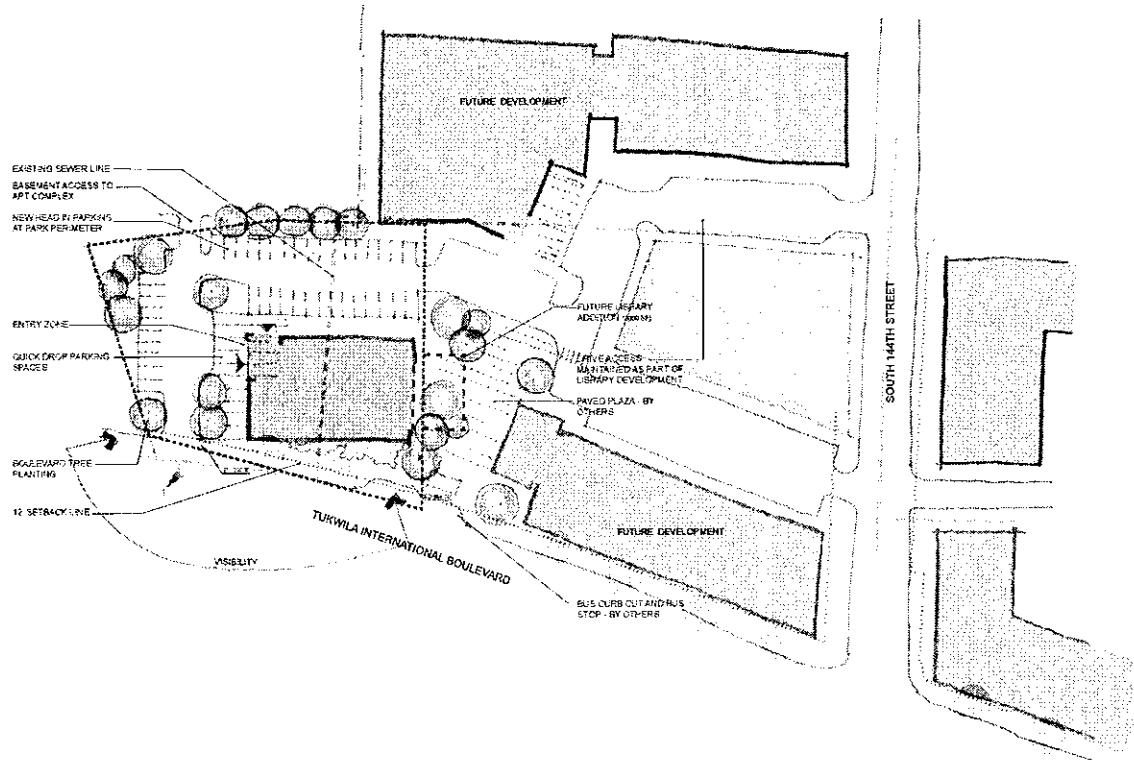


SITE 'B2' EVALUATION CRITERIA

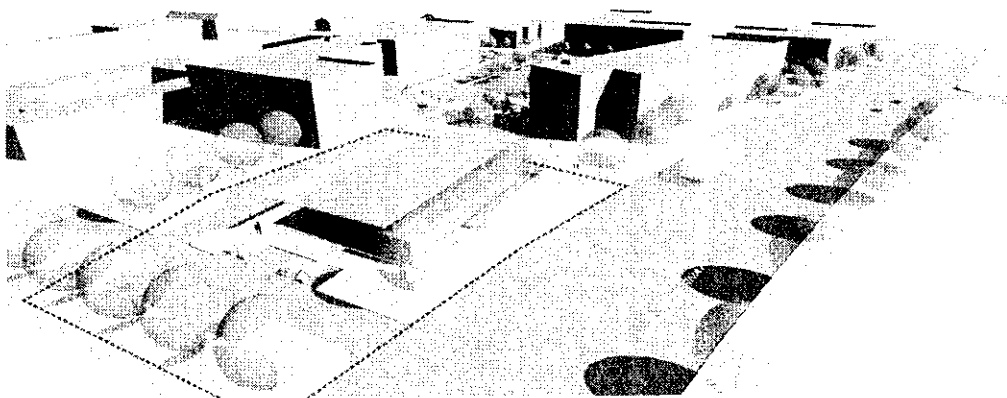
Criteria	Rating		
Viability	0	0	
Site Capacity	0	0	
Access	0	0	0
Centrality	0	0	0
Site Infrastructure	0	0	0
Cost Effectiveness	0	0	
Sustainable Opportunities	0	0	0
Impact on Future Development	0	0	0
TOTAL			21







SITE PLAN + UPPER FLOOR PLAN
SCALE 1" = 30'



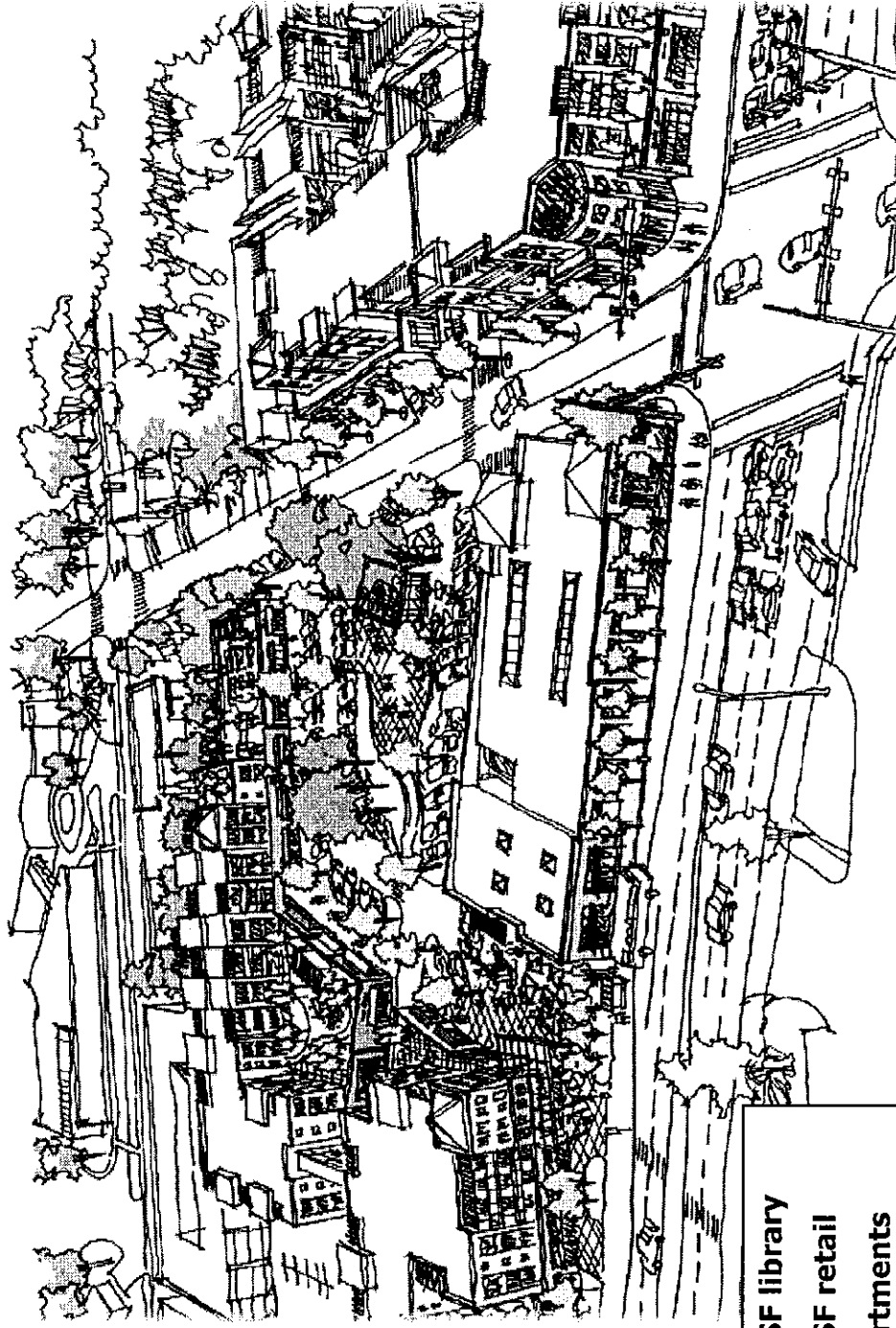
SITE "C" EVALUATION CRITERIA

Criteria	Rating	Score	Weight
Visibility	4	3	1
Site Capacity	4	4	1
Access	4	4	1
Connectivity	4	4	1
Site Infrastructure	4	4	1
Cost Effectiveness	4	4	1
Sustainable Opportunities	4	4	1
Impact on Future Development	4	4	1
TOTAL		14	



SECTION
SCALE 1" = 30'

Tarragon's Proposal (2008)

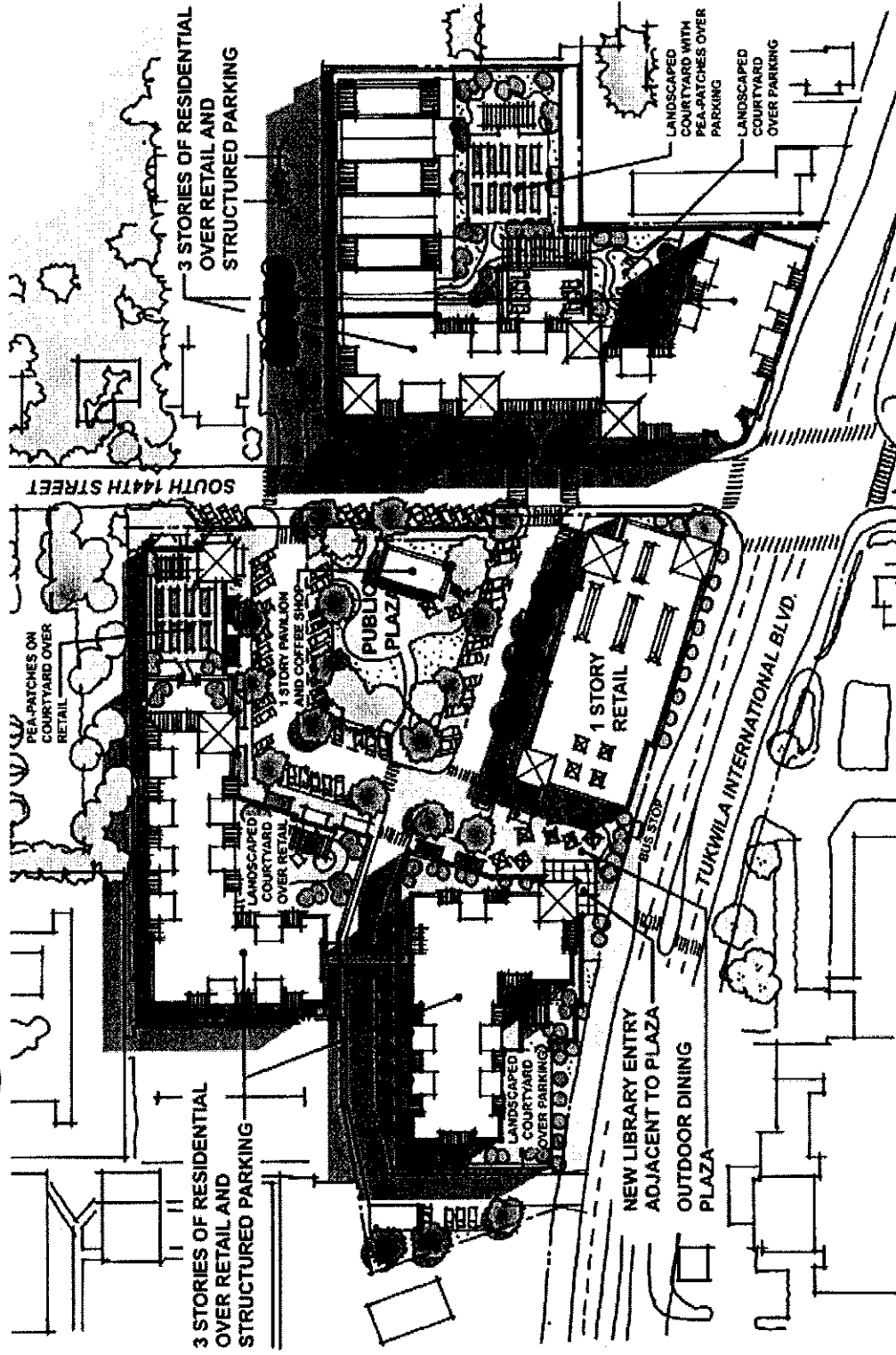


- 10,000 SF library
- 55,000 SF retail
- 298 apartments
- 4 townhouses

looking easterly at intersection of Tukwila International Boulevard and S. 144th

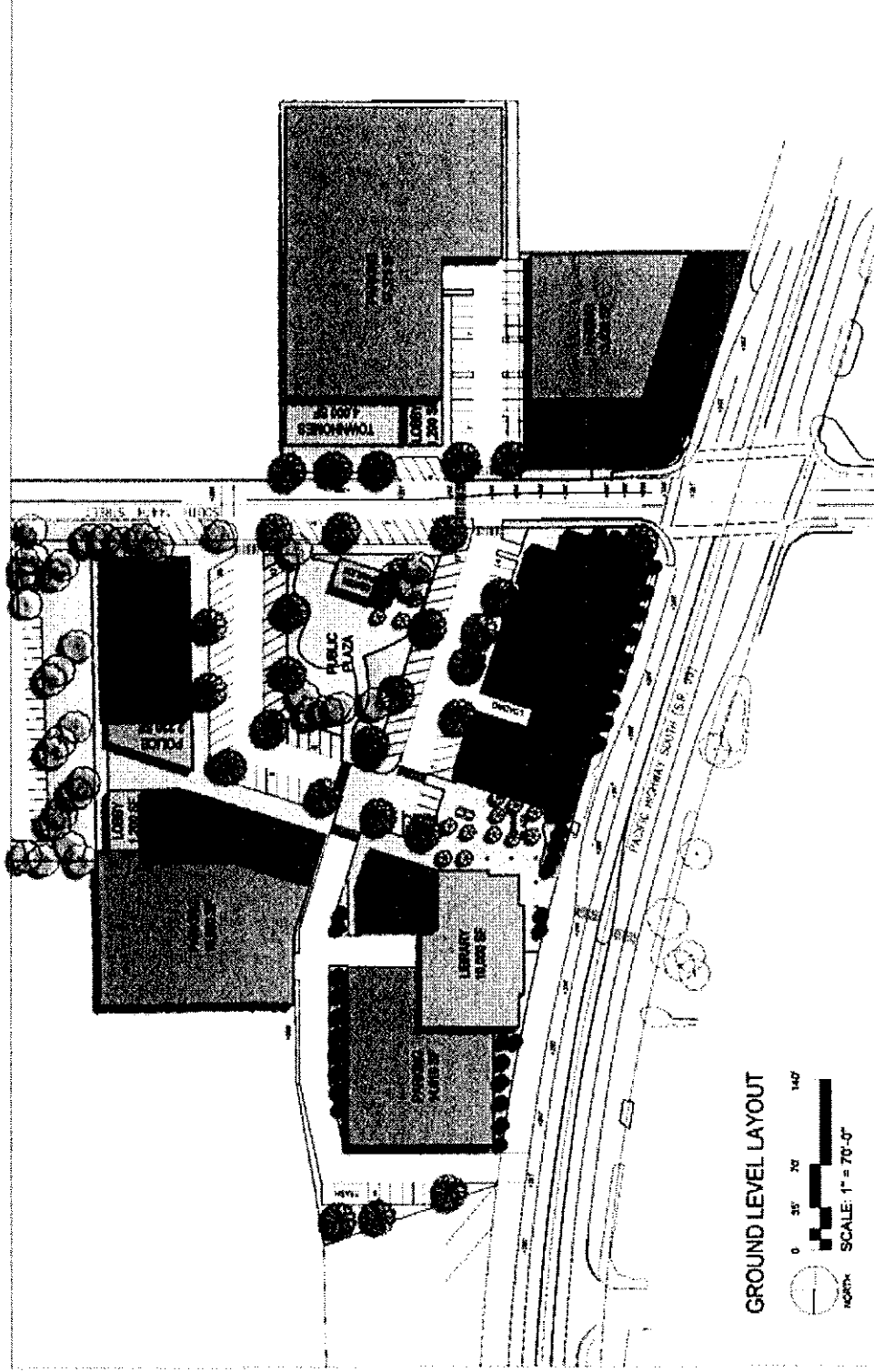
TUKWILA VILLAGE

Tarragon's Proposal (2008)



TUKWILA VILLAGE

Tarragon's Proposal (2008)



TUKWILA VILLAGE

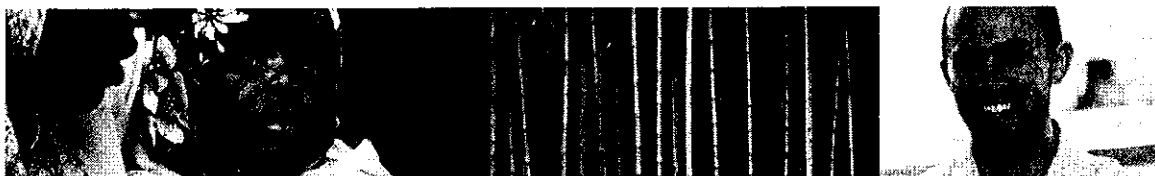
Tukwila Village

Comparison of Tarragon's Proposal to Senior Housing Concept

Use	Units	Senior Housing			Tarragon		
		North	South	Total	North	South	Total
Library	SF	10,000	-	10,000	10,000	-	10,000
Police	SF	-	2,000	2,000	2,230	-	2,230
Retail	SF	7,500	-	7,500	41,755	12,715	54,470
Office	SF	-	23,000	23,000	-	-	-
Housing							
Apartments							
SF		-	-	-	122,026	134,805	256,831
Units		-	-	-	144	154	298
Avg SF		-	-	-	847	875	862
Senior Apartments							
SF		126,000	114,000	240,000	-	-	-
Units		196	186	382	-	-	-
Avg SF		640	610	630	-	-	-
Parking							
Garage	Spaces	110	108	218	172	256	428
Surface	Spaces	95	37	132	113	-	113
		205	145	350	285	256	541
Outdoor plaza	SF	20,000	-	20,000	20,000	-	20,000
Community room	SF	3,000	-	3,000	-	-	-

Notes

- (1) Square footage for Tarragon's apartment may be gross; for senior housing may be net leasable.
- (2) The Tarragon proposal also included 4 townhouses totalling 8,000 square feet.
- (3) The senior housing concept shows all apartments as senior but some could be non-senior, and some may be townhouse style, and a few could be live/work.


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From neighborhood to network.

Since our earliest days, we've been committed to improving quality of life in our communities by increasing access to health care. Our roots can be traced to three King County health centers that formed independently between 1971 and 1983 and merged in 1987. Working with health department officials, municipal leaders, and funding organizations to assess the need for affordable health care in the county, we opened a fourth clinic and assumed the name Community Health Centers of King County in 1988.

Two decades and several expansions later, we changed our name to HealthPoint to reflect our growing role as a nationally recognized nonprofit health care network whose connections stretch in all directions and are deeply integrated in communities throughout King County.

With funding from government sources, insurers, and private donors, we operate 12 [clinics](#) in King County. We offer culturally competent medical care and dental care, specialty referrals, and support services to patients of remarkably diverse backgrounds. We also deliver outreach services in schools, homeless shelters, and other locations. Through a partnership with A.T. Still University's School of Osteopathic Medicine and School of Dental and Oral Health in Arizona, we are helping to educate the community health center doctors and dentists of the future.

We value compassion, quality, and innovation equally. We are recognized locally and nationally for our strides toward achieving a fully integrated model of family care. Among our accomplishments:

- We were the first community health center in the nation to receive public funding for integrated natural medicine-including naturopathy, acupuncture, and nutrition counseling.
- We were among the first in the nation to partner with A.T. Still University to create a community health center based medical school.
- As part of a team of community health centers across the state, we created Community Health Plan, one of the first managed care plans owned by community health centers. Our participation in Community Health Plan allows us to expand our facilities and services to provide more care for more people.
- We launched the first telepharmacies in King County.

As the need for affordable, accessible, high quality health care has grown in King County, we have, too – and so has our belief that good health is fundamental to peaceful and prosperous communities.

Success stories.



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